

**USAID/ARGENTINA/URUGUAY**

**A C T I O N   P L A N**

**FY 1995 - 1996**

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**USAID/ARGENTINA/URUGUAY  
FY 1995-1996 ACTION PLAN**

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**USAID/ARGENTINA/URUGUAY  
FY 1995-1996 ACTION PLAN**

**A. OVERVIEW**

**1. Introduction**

The Action Plans for USAID's current bilateral programs in Argentina and Uruguay were approved in June 1992. It was decided in late 1993 to include these two programs in the 21 USAID programs to be terminated worldwide. In an effort to avoid abrupt cancellation of ongoing programs, and based upon our indication that the PACDs for ongoing activities were to be reached by 1995, USAID/W decided to schedule the termination of programs in Argentina and Uruguay for mid-1995.

USAID notification to the two Host Countries and U.S. Ambassadors indicated that Uruguay and Argentina would continue to be eligible to participate in selected regional programs after the termination of bilateral programs. Both U.S. Ambassadors and the current USAID Representative recommend USAID/W decide to take the steps necessary to make this possibility a reality in order to enable USAID to continue contributing to USG efforts to meet important bilateral and regional objectives. USAID/W's intentions regarding the possibility of developing new regional programs in which Southern Cone countries might participate are still unclear. A decision in this regard is required before the Operational Plan for the closure of our Office can be finalized.

This final Action Plan for bilateral programs in Argentina and Uruguay:

- reports on program accomplishments during the 18 months since June 1992;
- presents for AA/LAC approval, the activities, program objectives, and resource requirements for the final 18 months of bilateral program operations until June 1995;
- offers for discussion ideas for new LAC regional programs in which Argentina and Uruguay could participate and to which they could contribute;
- outlines an initial Operational Plan for the closure of our Office which will be finalized in accordance with decisions made at the Action Plan Review and following consultations with USAID/Bolivia and USAID/W.

The FY 1994 program budget requested for the two countries is \$2,526,000. This will fund the final 18 months of bilateral project activities, and compares with a total of \$2,780,000 obligated for both countries in FY 1993. The minimum (base level) O.E. budgets needed, including down-sizing costs, are \$331,000 in FY 1994, \$351,000 in FY 1995, and \$129,100 in FY 1996. This compares with a FY 1993 level of \$400,000.

## **2. Political and Economic Highlights**

Both Argentina and Uruguay are middle-income countries with respectable economic and social indicators. Except for the northernmost provinces of Argentina, the level of poverty common in most other Latin American countries is absent. This is the reason USAID's programs are not traditional "assistance" programs to address poverty concerns, but rather "cooperation" programs in areas of mutual interest. Per capita GDP in Uruguay is currently over \$4,300 and in Argentina it is reportedly over \$7,000. Literacy in both countries exceeds 95%, and life expectancy in Uruguay is 73 years while in Argentina it is over 71 years.

The U.S. enjoys excellent relations with both countries. In Uruguay, this is based on our shared democratic traditions, similar predominantly middle class societies, and common concern for social well-being. Under President Menem, Argentina's relationship with the U.S. has radically improved, based primarily on Argentina's successful economic reforms and GOA efforts to align itself politically with the U.S. This new relationship has led to increased exchanges and cooperation in numerous areas, most notably in commerce. U.S. exports to Argentina have more than tripled over the last three years, to a level of \$3.5 billion in 1993.

The most significant recent political event in Uruguay was the December 1992 Referendum which resoundingly defeated President Lacalle's plan to create a mixed-capital telephone company, and represented a clear public repudiation of his Government's economic reform policies. The Referendum immediately transformed the Lacalle Government into a lame-duck Administration. Privatization and public sector reform efforts stalled. The Government struggled to maintain as much fiscal and monetary discipline as possible in 1993, and also succeeded in respecting already scheduled tariff reductions to open Uruguay's economy further. Without structural reforms, however, inflation could only be reduced in 1993 from 58.9% to 52.9% (the target was 30%), and real GDP growth declined from 7.4% in 1992 to 2.0% in 1993.

This year is an election year in Uruguay, and a new government will take office in March 1995. It will most likely be headed either by former President Sanguinetti or by the leader of a leftist coalition which has never governed nationally. No significant changes are expected in 1994, and the new government will face already known challenges: a) making public sector structural reforms, especially a reduction in the number of central government employees and reform of the social security system; b) taking the most difficult steps necessary to finally tame inflation, which hinders growth, increases income disparities, and has made it impossible for Uruguay to maintain the quality of social services which had made it unique in Latin America; and c) finding ways to stimulate private-sector-led

growth by undertaking legal, regulatory and judicial reforms to improve the business environment.

The most noteworthy occurrence in Argentina during the past year has been President Menem's consolidation of power. This has been achieved primarily by his Government's very successful economic stabilization and reform program, and as a result of Menem's own remarkable political abilities. The process recently reached a climax with an agreement between Menem's Justicialista Party and Argentina's other primary political party, the Radicales, to reform the Constitution to allow Menem to run for a second term. He is practically guaranteed to win re-election in 1995, and this would result in a total of ten years in power.

Argentina's economic reform program continues to make significant progress. In 1993, fiscal and monetary discipline was firmly maintained; the privatization program (one of the world's largest) was completed; and Argentina pushed hardest within the MERCOSUR for continued progress in opening Southern Cone markets. Inflation declined in 1993 to 5%, from a level of 17.5% in 1992. GDP growth also declined from 8.7% in 1992 to 5% in 1993, but was very respectable in view of the significant structural reforms the economy is experiencing. Capital inflows have increased markedly, and Argentina is now successfully selling public and private sector securities in international markets.

The prospects for continued economic progress in Argentina are good. The Government intends to extend the reform process to the provinces. Two very significant economic challenges still exist: undertaking real legal, regulatory and judicial reforms to improve the business climate and provide a politically secure base for economic growth; and beginning to address more seriously the endemic poverty which exists in the northernmost provinces.

The way in which the constitutional reform process has occurred has left many Argentines who are interested in reforming the country's authoritarian traditions very worried. Negotiations took place between the leaders of the two major political parties (President Menem and former President Alfonsin) behind closed doors, and included an agreement to replace three ministers from the nominally independent Supreme Court. The Legislative Branch's role was limited to rubber-stamping what had already been agreed. Power continues to be very centralized in the Executive Branch, and even political opposition by the Radicales has been completely neutralized for the time being. For Argentines concerned with protecting human rights, combating corruption -- which is still endemic -- and promoting LRJ reforms as a basis for further economic growth, recent trends are very disquieting. In Argentina's new democracy, it is also clear, however, that many of these same Argentines will continue to work hard for the significant political changes they feel are so necessary. They will be supported by the country's free and

increasingly responsible press and by pressures brought to bear as a result of Argentina's more open and competitive economy.

### **3. MDC Program Strategies for Argentina and Uruguay**

The MDC Program strategies approved by LAC in 1992 for Argentina and Uruguay are characterized primarily by our strict focus on making progress in only two key areas of U.S. interest (democracy and growth) and by the fact that we are collaborating principally with local NGOs.

The focus on U.S. interests contrasts with the former MDC strategy of allocating specified resource levels to each country to be used for a variety of developmental objectives (the "targets of opportunity" strategy). Conditions in each country have dictated that primary emphasis be put on democracy activities in Argentina and on growth activities in Uruguay.

In Argentina, USAID's primary Strategic Objective is "more responsible government institutions and a more engaged citizenry," and it includes AOJ, anti-corruption, and civic participation activities. The second Strategic Objective is "improved prospects for business expansion in Argentina," and it includes selected activities to improve the legal, regulatory, and judicial environment for business and to make medium-sized Argentine and U.S. firms more aware of business opportunities.

In Uruguay, USAID's primary Strategic Objective is "more active participation by the private sector in the process of economic reform," and it includes support for activities of business associations to increase awareness of legal, regulatory, and judicial reforms required to improve business conditions in Uruguay, and to improve Uruguayan private sector competitiveness. The second Strategic Objective is "improved efficiency and quality in judicial decision-making," and it includes activities in court administration and judicial training.

We finance relatively small activities implemented by local reformers -- mostly NGOs (e.g., civic organizations, business/trade associations). The focus in both programs is on helping local reformers promote political and institutional changes. This takes time to achieve and requires a flexible programming approach. Before it was decided to terminate bilateral programs, we envisaged experimenting with a number of local NGOs in each country with a view to concentrating support eventually on those which were most successful in obtaining results.

In addition to focusing on U.S. interests and working primarily with NGOs, our strategies in both countries have aimed:

- To link NGOs and other local reformers to U.S. leaders

- from the public sector, NGOs, and private businesses.
- To coordinate closely with other USG agencies, both in Washington and as a member of Embassy Country Teams.
- To leverage resources both from other donors, principally the IDB, and from local private sector sources.
- To promote regional cooperation, especially in the areas of administration of justice, civic participation and anti-corruption.

This way of operating in Uruguay and Argentina already conforms in many ways with approaches Administrator Atwood is advocating for a "re-invented" USAID, and with many of the "lessons learned" pointed out by CDIE in its analyses of USAID's experiences in democracy and growth programs worldwide.

#### **4. Progress Achieved To-Date**

The most satisfying and productive element of USAID's democracy program in Argentina has been the success achieved by the NGOs we support. Their work in increasing public awareness of the need for judicial sector reform and combatting corruption has resulted in significantly increased public discussion of these issues and civic involvement in reform efforts. Increased civic participation in efforts to meet community needs has also been achieved through support to Conciencia, but additional groups could not be supported due to lack of funding. On the official side, efforts to work with the National Supreme Court have been very frustrating due to political difficulties, but significant progress in improving court administration has been made by the Supreme Court of the Province of Buenos Aires. The creation of a National Association of Provincial Courts (CEJURA) is also very promising.

USAID's efforts to improve business conditions in Argentina have been reduced to only three activities. The IESC Business Development Services Program has generated numerous proposals from medium-sized Argentine firms for joint ventures which are currently being marketed in the U.S. Efforts at LRJ reform were reduced to one USAID program to initiate cooperation between the SEC and CNV, which has been successful in achieving its modest objectives. Lastly, a good start has been made by USAID's Office of Energy and Infrastructure to identify and promote renewable energy projects which might lead to U.S. exports.

In Uruguay, USAID's efforts to promote more private sector participation in the process of economic reform will now be curtailed, just as initial activities are beginning to take off. Business associations with which we work have expressed much more interest in programs to improve member firms' competitiveness than in activities to promote LRJ reform, a topic which is still not widely understood by private sector leaders.

The USAID/UNDP AOJ Program in Uruguay continues to be successful. CEJU has been established has a judicial training center and succeeded in attracting IDB support for its program to reduce legal and judicial impediments to investment. Court administration reform efforts led by the Supreme Court are now underway with a full program of activities agreed to and scheduled for 1994 and 1995.

Last September, a CDIE team evaluated USAID's democracy activities in both Argentina and Uruguay. The team noted several aspects of USAID's programs it felt were positive. These included: support for NGOs in Argentina for constituency/coalition building; the use of a small amount of USAID funds to promote reforms within the Uruguayan justice system; the impact of policy dialogue by NGOs and USAID with the Argentine Ministry of Justice and the Buenos Aires Provincial Court; USAID's success in attracting other donor support for justice sector programs; and the use of a flexible programming approach which made it possible to respond to targets of opportunity. The team concluded that even a limited USAID presence can make a significant contribution to USG democracy goals.

USAID's goal of promoting participatory development has been achieved through our heavy emphasis on cooperating with local NGOs. We are working with seven Argentine NGOs in our democracy programs and with ten Uruguayan NGOs. Several examples also can be cited where the elements of the MDC strategy described above have been applied.

- **Facilitating Linkages with the U.S.:**

- Visits by supreme court ministers from both countries to several state courts (e.g. Minnesota, Kentucky, California, Virginia, New York) and the National Center for State Courts, which have helped them develop ideas and exchanges for programs in Argentina and Uruguay.

- A Partners of the Americas' program to improve juvenile justice in Uruguay.

- Assistance to Conciencia (an Argentine civic education NGO) and its sister organizations in the Organizaciones Cívicas Panamericanas from Anita Perez Ferguson, Director of Training for the Democratic National Committee.

- Conciencia cooperation with Partners of the Americas and the Kellogg Foundation to help it implement programs in Argentina.

- Collaboration by Poder Ciudadano (an Argentine civic organization) with Philip Heymann when he was still at



Yale University, in connection with anti-corruption programs in Argentina.

-- Creation of a consortium of four U.S. universities to work with the Catholic University of Uruguay to develop its Masters of Business Administration program.

-- Cooperation by Yale University and Centro de Estudios Institucionales (C.E.I.) to create a Masters of Law program in Argentina.

-- Bilateral cooperation in market regulation and enforcement procedures between the Securities and Exchange Commission and its sister organization in Argentina, the Comisión Nacional de Valores.

-- Bilateral cooperation between the National Institute of Standards and Technology (NIST) and the Uruguayan Comité Nacional de Calidad and National Technological Laboratory (LATU) for creation of an industrial quality award program.

-- IESC Business Development Services in both countries to promote U.S. joint ventures with local small businesses.

-- FUCREA's (an Uruguayan agribusiness association) cooperation with James Austin of Harvard Business School and experts from U.S. trade associations for implementation of its programs in Uruguay.

-- Cooperation between the U.S. Environmental Law Institute and FARN (an Argentine environmental NGO) to carry out an environmental planning program in the Province of Neuquén.

• **Leveraging Local Private Sector Funding:**

-- Informal collaboration with two Argentine business associations (IDEA and Fundación para la Modernización del Estado) to encourage them to finance programs to improve court administration.

-- Involvement of numerous Uruguayan companies in initiating and developing a successful Junior Achievement (DESEM) program.

-- Cost-sharing from numerous Uruguayan business associations involved in USAID programs to improve Uruguayan competitiveness.

• **Leveraging Other Donor Resources:**

-- Collaborating with the IDB to develop its first justice sector project in Latin America: support to the Uruguayan Supreme Court for programs to reduce legal and judicial impediments to private sector growth.

-- Current discussions with the World Bank and the IDB to continue and expand AOJ efforts in Argentina when USAID programs end in 1995.

-- Cooperation with the UNDP to implement the AOJ program in Uruguay and technical assistance to improve public sector financial management in Argentina.

-- Obtaining IDB support for an Uruguayan program (PLADES) to simplify trade regulations. Additional discussions are under way with the IDB regarding use of Multilateral Investment Fund resources for other programs initiated by USAID in Uruguay.

- **Regional Cooperation:**

-- Visits by Uruguayan Supreme Court officials to Bolivia and Ecuador to discuss reform of trial procedures.

-- Establishment of the MERCOSUR de las Cortes, an annual meeting among supreme court representatives from Argentina, Uruguay, Chile, Bolivia, and Paraguay, to promote judicial sector reform. (The guest speaker at the last meeting was Justice Anthony Kennedy of the U.S. Supreme Court.)

-- Visits by Poder Ciudadano personnel to discuss its anti-corruption programs with NGOs in Ecuador, Venezuela, Guatemala, and El Salvador.

-- Active involvement by Conciencia in creating the Organizaciones Cívicas Panamericanas.

-- Cooperation between CAF (an Uruguayan agribusiness cooperative association) and similar associations from Chile.

Specific new accomplishments to be achieved by mid-1995 under each strategic objective are specified in Section C.

Areas in which Argentina and Uruguay could potentially participate in new LAC Regional Programs when bilateral programs terminate include: administration of justice; anti-corruption/public sector financial management; civic participation; legal, regulatory and judicial (LRJ) reform efforts; promoting compatibility with NAFTA trade, environment

and labor standards; and environmental planning, anti-pollution and clean energy programs.

**B. PROGRESS IN ACHIEVING AGENCY GOALS**

**1. Program Performance - Argentina**

USAID's two Strategic Objectives for Argentina are:

- (1) More Responsible Government Institutions and a More Engaged Citizenry; and
- (2) Improved Prospects for Business Expansion in Argentina.

These objectives support the Agency's goals of building democracy and achieving broad-based economic growth. As Argentina continues to undergo radical political and economic change, the USG's opportunities for impacting the reform process have been numerous. USAID's programs have been an important element in achieving progress toward U.S. growth and democracy objectives.

**a. Building Democracy: S.O. 1**

Under Strategic Objective No. 1, USAID is working in three areas which are important to strengthening Argentina's democracy: justice system improvement; anti-corruption; and civic participation. Specifically, USAID's activities have aimed to achieve the following Program Outcomes:

1. a more independent, efficient, and accessible justice system;
2. reduced opportunities for corruption; and
3. increased civic participation.

**Program Outcome 1**

Progress under the Administration of Justice Program has primarily been made in the areas of increasing public awareness of the need for justice sector reforms, increasing access to the justice system, and beginning to achieve provincial judicial reforms in court administration.

Through the Ministry of Justice (MOJ) component, which is carried out in cooperation with Fundación Libra, the use of mediation as a dispute settlement mechanism has become a legitimate method for use in Argentina. In 1992, the MOJ issued a decree to legalize and regulate the use of mediation as a dispute settlement mechanism, and it is expected that the Argentine Congress will issue a law in 1994 based on that decree, or that the new Constitution being discussed will include a chapter on alternative dispute resolution (ADR). It is also anticipated that the new Civil Procedure Code under discussion by Congress

will include a chapter on ADR, and that mediation will be introduced into the formal court system.

The four pilot neighborhood legal aid and mediation centers established under the MOJ project continue to operate successfully. By a recent ministerial decision, the costs of the neighborhood centers are being assumed by the GOA. USAID will provide an evaluation and make recommendations to the centers on ways to improve their effectiveness. The MOJ has also created a school for mediators, officially established a "Corps of Mediators," and is in the process of opening a Judicial Mediation Center in downtown Buenos Aires. The MOJ plans to expand the program and will work with provincial courts to spread the use of mediation at the provincial level.

The mediation program grew out of a cooperative effort between the MOJ and Fundación Libra under the AOJ project. The AOJ project has assisted Fundación Libra in issuing bulletins on mediation that are read throughout Latin America, in organizing training programs delivered by a Harvard law professor, and in providing technical assistance on mediation to the Uruguayan Supreme Court and to several Argentine provincial courts. As a result of the enthusiastic reception to mediation in Argentina, the National Center for State Courts chose Buenos Aires as the site for its Interamerican Seminar on ADR in November 1993.

The public defenders training program developed by FORES was completed in 1993. As a result, public defenders are better trained, the public's perceptions of them and their own self-perceptions have improved, coordination among public defenders has increased, and the first National Congress of Public Defenders is being planned for late in 1994.

The Supreme Court of the Province of Buenos Aires (SCPBA) is the country's largest and serves one-third of the population. The Ministers of the SCPBA are convinced that reform is necessary and have used USAID seed-money channelled through a Planning and Budgeting Office they created to pursue numerous reforms. These have included: beginning the process of decentralizing administrative authority within the Province; automating court receivers' offices and setting up an information center to better serve the public; initiating training in mediation and for public defenders; and working with Conciencia to measure public perceptions regarding services the justice system provides. Recently, the Ministers began a series of round-table discussions among appellate court presidents to plan and make decisions on court administration in a participatory fashion, something not common in Argentina.

Fundación La Ley (FLL) initiated its efforts to create a National Center for Provincial Courts (CEJURA) and the first meeting of the presidents of provincial courts was held in May 1993. Larry

Sipes, President of the National Center for State Courts, was the keynote speaker at the event, where 31 ministers from 19 of the 23 provincial courts actively participated. Agreement has been reached with provincial courts in Santa Fe and Córdoba for pilot projects whose results will be shared through the CEJURA network. Sub-regional conferences will be held in 1994 to define further CEJURA programs to be carried out.

Several activities were sponsored to increase public awareness and "demand" for judicial reform. Fundación La Ley convened representatives of all public agencies and NGOs participating in the AOJ program to a meeting where they agreed to jointly design a public opinion poll regarding awareness of justice sector issues and suggestions for improvement. This poll was carried out by Gallup after the October elections, and its results will soon be released to the media. In addition, each participating organization will use the findings of the poll to improve its own programs.

As a result of USAID's informal contacts with business leaders belonging to the Fundación para Modernización del Estado, the National Supreme Court agreed to have Arthur Anderson Consulting carry out a comprehensive USAID-financed diagnosis and action plan for administrative reform. Unfortunately, the report was completed just as the Supreme Court entered another serious crisis period which culminated in political party agreement to change three ministers. When and if the Court gets its affairs together again, the study can be used to initiate administrative reform and involve business leaders in the effort.

Two key Argentines attended the NCSC seminar on Delay Reduction held in Chile: the Legal Affairs Coordinator of IDEA (a business association), who is also General Counsel of ESSO/Argentina; and the Procurador del Tesoro. Upon return, IDEA decided to organize a national delay reduction conference to be held in March 1994. In preparation, it distributed a survey instrument to business leaders, law firms and judges which will be used at the conference to devise an action plan for delay reduction. In addition, IDEA has decided to hold seminars for selected judges on how to improve administration of their courts.

The Procurador del Tesoro has been heavily involved in political party negotiations to amend the Constitution. One of the amendments likely to be approved would significantly affect the manner in which the federal judicial system conducts its affairs. The Procurador has requested USAID's principal AOJ advisor to work under IDB auspices to assist with the design of new administrative procedures.

Indirectly, the support USAID provides to Poder Ciudadano and Conciencia has also had a major impact on public awareness of justice sector issues and involvement in reform efforts. Poder

Ciudadano has great influence with the media, while Conciencia's efforts focus more at the community level.

The primary problem with the AOJ Program continues to be lack of leadership from the politically divided members of the National Supreme Court. Because of the Supreme Court's inability to get things done, the plan to establish a single federal judicial school through the Supreme Court has been abandoned. Efforts are being redirected to the provincial level for the creation or strengthening of provincial judicial education centers.

#### Program Outcome 2

During the last year, significant progress has been made in raising the level of public awareness of what can be done to begin to reduce corruption. Much of the credit, both for increasing the attention of the general public to the effects of corruption in Argentina and for making various interest groups more knowledgeable about what they can do to combat it, goes to Poder Ciudadano. Evidence of Poder Ciudadano's efforts are highly visible in the Argentine media. For example, in the last year, Poder representatives appeared in 1070 minutes of television and 915 minutes of radio programs, and 358 articles were published in which Poder work was cited. Poder's insights into the topic of corruption and the methodology it has developed to combat it have been recorded by Poder principal, Luis Moreno Ocampo, in his best-selling book, In Self Defense: How to Get Rid of Corruption.

Poder Ciudadano has continued sponsoring seminars on corruption, and members of Poder have been asked to provide technical assistance to NGOs in other LAC countries. While Poder Ciudadano was once the only organization working on the problem of corruption in Argentina, due to its efforts there are now thirty-four groups addressing the issue.

USAID/Argentina's efforts to complement Poder Ciudadano's work with efforts in the public sector have had very limited success. Long-term technical assistance from an Ecuadorian expert was provided to the Tribunal de Cuentas to transform it into an Auditoria General in conformance with Argentina's new public financial control legislation, but his good work was not put to use for political reasons. Consequently, USAID worked to switch the advisor to the GOA internal audit agency, SIGEN, with the funds already obligated with the UNDP.

The plans to de-bureaucratize the Immigration and Customs offices to reduce opportunities for corruption which were prepared by the Civil Service Secretariat/Ministry of Justice have not been used, again because of political problems which resulted in the resignation of USAID's principal GOA counterparts for the activity, the Minister of Justice and the Minister of the

Interior.

Program Outcome 3

USAID's efforts to promote civic participation have been implemented through support for Conciencia in its programs to encourage civic involvement in municipal government, parental and civic involvement in primary and secondary education, and non-partisan training of female political candidates.

Concerning the municipal component of the project, four municipal-level groups have been formed and are designing community-based projects. Conciencia has organized seminars on civic participation for citizens and NGOs, and as a result of its efforts, 43 other NGOs are now carrying out civic activities. While mobilization of civic leaders at the municipal level has increased, it should be noted that progress has been slowed due unexpected difficulty in getting municipal leaders to work with the community groups. There has been strong interest in the "school and community" component of Conciencia's project as well. Workshops and related activities have attracted 320 participants, and four projects are underway.

In its component for educating women for participation in the political process, Conciencia has been very successful: four training courses were delivered (three of them in the Provinces) with 154 women participating, 99 of whom already held political offices and 33 of whom were subsequently elected. Representatives of twelve political parties and 18 NGOs participated in the training courses, and 35 community projects started as result of the training courses. The program succeeded in taking advantage of Argentina's new law setting a minimum percentage of female candidates to be included on party ballots to help prepare candidates for office, introduce them to the concept of constituent service, and strengthen the importance of women's participation in political life.

Conciencia's efforts in promoting civic participation extend to the international level through its work with Organizaciones Cívicas Panamericanas, whose annual meeting Conciencia hosted in 1993. It also published 3 Panamerican Letters, and provided course materials and other assistance for 13 seminars in other LAC countries.

**b. Broad Based Economic Growth: S.O. No. 2**

Under S.O. No. 2, USAID intended to work in two broad areas: selected improvements to the LRJ environment for business, and activities to make medium-sized Argentine firms more aware of business opportunities involving U.S. exports or joint ventures with U.S. firms. USAID activities under S.O. No. 2 have been reduced to only three due to funding constraints and USAID's

**TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"**

ARGENTINA		
Agency Goal: Building democracy		
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry		
PROGRAM OUTCOME NO. 1.1 A more efficient, independent and accessible justice system	PROGRAM OUTCOME NO.1.2 Reduced opportunities for corruption	PROGRAM OUTCOME NO. 1.3 Increased civic participation
Activities	Activities	Activities
Administration of Justice:	Poder Ciudadano	Conciencia
Fundación La Ley	SIGEN (Internal Auditors' Office)	Poder Ciudadano
Ministry of Justice		
National Supreme Court		
Supreme Court of the Province of Buenos Aires		
Fundación FORES		
Fundación Libra		
I.D.E.A.		



## ARGENTINA

**TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE**

ARGENTINA					
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry					
<i>Indicator: Percentage of public who believe that there are significant degrees of corruption by a) politicians, b) government employees, and c) judges</i>					
Unit: Percentage		Year	Planned	Actual	
Source: Survey by NGO Poder Ciudadano  Comments: The survey used to measure this indicator has not been done this year. Given the numerous allegations of corruption in the justice sector, it is likely that public confidence in judges has declined.	Baseline	1992	-----	a. 91 b. 88 c. 66	
		1993	a. b. c.	***	
		1994	a. b. c.	***	
		1995	a. b. c.	***	

<i>Indicator: Percentage of victims of corruption surveyed who reported it to authorities</i>					
Unit: Percentage		Year	Planned	Actual	
Source: Baseline: Poder Ciudadano survey. Ongoing reporting: Poder Ciudadano	Baseline	1992	-----	28	
Comment: The survey used to measure this indicator has not been done this year.		1993		***	
		1994		***	
		1995		***	
<i>Indicator: Percentage of the public reporting a favorable perception of the fairness of the justice system</i>					
Unit: Percent		Year	Planned	Actual	
Source: Baseline: Argentine media. Ongoing reporting: media and Poder Ciudadano surveys	Baseline	1991	-----	22	
Comment: Noticias magazine (12/5/93) is the source for the 1993 percentage reported. The percentage has declined due to the numerous allegations of corruption in the justice sector.		1993		16	
		1994		***	
		1995		***	

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry					
PROGRAM OUTCOME NO. 1.1 A more independent, efficient and accessible justice system					
<i>Indicator: Number of court administration reforms implemented</i>					
Unit: Number		Year	Planned	Actual	
Source: Supreme Court of the Nation, Supreme Court of the Province of Buenos Aires and Fundación La Ley semi-annual reports  Comments:	Baseline	1992	-----	3 reforms started	
		1993		3 reforms started	
		1994		***	
	Target	1995		***	
<i>Indicator: Judicial Education Centers established or strengthened</i>					
Unit: Number		Year	Planned	Actual	
Source: Provincial Courts, Fundación La Ley  Comments: This indicator has been revised from establishing a single federal judicial school to the establishment or strengthening of provincial judicial education centers.	Baseline	1992	-----	----	
		1993	-----	0	
		1994	-----	***	
	Target	1995	4	***	

<i>Indicator: Mediation and arbitration laws/decrees/regulations operational</i>					
Unit: Number of laws/decrees/regulations		Year	Planned	Actual	
Source: Ministry of Justice	Baseline	1992	-----	3	
Comments: Figures are cumulative. Activities include: the establishment of a Mediation Commission; passage of a Mediation Decree; the creation of a school for mediators; and a judicial mediation pilot project.		1993		4	
		1994		***	
	Target	1995	4	***	
<i>Indicator: Number of mediation programs introduced in Argentina</i>					
Unit: Number		Year	Planned	Actual	
Source: Ministry of Justice, Fundación Libra	Baseline	1991	-----	0	
Comments: Figures are cumulative. The following programs have been introduced: neighborhood mediation centers; a mediation school; a corps of mediators; and a National Plan for Mediation.		1992	-----	1	
		1993	-----	4	
		1994	5	***	
	Target	1995	6	***	
<i>Indicator: Number of cases resolved through mediation</i>					
Unit: Number		Year	Planned	Actual	
Source: Ministry of Justice and Fundación La Ley semi-annual reports	Baseline	1991	-----	400	
Comments:		1992		576	
		1993		612	
		1994		***	
	Target	1995		***	

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry					
PROGRAM OUTCOME NO. 1.2 Reduced opportunities for corruption					
<i>Indicator: Number of GOA offices debureaucratized</i>					
Unit: Number		Year	Planned	Actual	
Source: Ministry of Justice and Civil Service Secretariat semi-annual reports	Baseline	1992	-----	0	
Comments: The analysis and recommendations for two offices were completed, but changes were not implemented because of political problems. Project has been cancelled.		1993		0	
<i>Indicator: Number of groups participating actively in anti-corruption activities</i>					
Unit: Number		Year	Planned	Actual	
Source: Poder Ciudadano semi-annual reports	Baseline	1991	-----	1	
Comments:		1992	-----	8	
		1993	20	34	
		1994	36	***	
	Target	1995	44	***	

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry					
PROGRAM OUTCOME NO. 1.3 Increased civic participation					
Indicator: Number of municipal, school and community projects undertaken through civic participation					
Unit: Number		Year	Planned	Actual	
Source: Conciencia semi-annual reports	Baseline	1992	-----	0	
Comments: This indicator includes both projects undertaken directly by the USAID funded organization Conciencia, and projects which are not executed directly by Conciencia but involve its technical assistance to NGOs or public institutions.		1993		47	
		1994	55	***	
	Target	1995	60	***	
Indicator: Female political candidates trained					
Unit: Number		Year	Planned	Actual	
Source: Conciencia semi-annual reports	Baseline	1992	-----	0	
Comments: The "planned target" figure has been increased based on the success of this activity in 1993.		1993		154	
		1994	200	***	
	Target	1995	250	***	
Indicator: Other NGOs related to the program carrying out civic participation activities					
Unit: Number		Year	Planned	Actual	
Source: Conciencia semi-annual reports	Baseline	1992	-----	0	
Comments: The training program includes several other NGOs to which Conciencia provides T.A. Conciencia also provides material to other NGOs interested in the subject of civic education and participation, even if they are not formally participating in the program.		1993		43	
		1994	55	***	
	Target	1995	60	***	

limited outreach to USG regulatory entities. All three activities are proceeding well and will be completed on schedule.

#### Program Outcome 1

Our primary activity is USAID's program to initiate cooperative relations between the SEC and the CNV. Both institutions expressed an interest in cooperating, but this only became possible with the availability USAID's funding and the special efforts of SEC Commissioner, Mary Schapiro. The CNV requested SEC assistance in developing enforcement procedures to initiate their relationship. USAID pays for travel and per diem costs of SEC personnel and representatives of U.S. capital markets recruited by the SEC. The SEC covers the salaries of its own personnel. Technical assistance to the CNV in Buenos Aires has been completed, and training in the U.S. will take place this year. The CNV is already much more active in enforcement, and a current case brought recently against a major Argentine firm has generated a lot of useful publicity for the CNV regulatory efforts.

USAID obtained agreement of the USDOC Patents and Trademarks Office to design a technical assistance program for its counterpart Argentine agency. That Agency will have responsibility for enforcing new patent legislation, an important USG bilateral objective. Because of delays in passing the legislation, USTR would not allow this effort to begin, and now it will not take place.

The USAID Office of Energy and Infrastructure has begun consultations with the GOA Secretariat of Energy regarding training in demand management. This will contribute to the Secretariat's efforts at regulation of private power utilities.

#### Program Outcome 2

The principal activity under this program component is the IESC Business Development Services Program. Under the Program, medium-sized Argentine firms interested in joint ventures with U.S. firms are assisted in making contacts in the U.S. During 1993, the USAID/IESC BDS Office was set up in downtown Buenos Aires, and cooperative relations were established with four provincial associations through which joint venture proposals are being identified. From over 400 companies interviewed to date, 153 have been analyzed thoroughly, and 24 proposals have been sent to IESC, Connecticut. Of these, 14 are being actively marketed, and discussions have begun between Argentine and U.S. firms in two cases.

The Office of Energy and Infrastructure is working with U.S. non-renewable energy trade associations and provincial governments in Argentina to identify potential renewable energy projects which

**TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"**

ARGENTINA	
Agency Goal: Achieving broad-based economic growth	
STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina	
PROGRAM OUTCOME NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina	PROGRAM OUTCOME NO. 2.2 Argentine and U.S. businesses made aware of trade and investment opportunities
Activities	Activities
S.E.C./Comisión Nac. de Valores PASA	IESC BDS Program
Office of Energy regulatory activities	Office of Energy renewable energy activities



Argentina					
STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina					
<i>Indicator: U.S. exports to Argentina</i>					
Unit: US\$ million		Year	Planned	Actual	
Source: U.S. Department of Commerce	Baseline	1991	----	1,897	
Comments: Our efforts focus on improving Argentine business prospects by linking Argentine businesses with U.S. firms; hence this proxy indicator.		1992	----	3,000	
		1993	----	3,500 (est.)	
		1994	----	***	
	Target	1995	----	***	
PROGRAM OUTPUT NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina					
<i>Indicator: Number of regulatory norms and procedures adopted</i>					
Unit: Number		Year	Planned	Actual	
Source: Reports from USG and other agencies providing assistance to Argentine entities	Baseline	1992	-----	0	
Comment:		1993	1	1	
	Target	1994	2	***	

STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina					
PROGRAM OUTPUT NO. 2.2 U.S./Argentine businesses made aware of trade and investment opportunities					
<i>Indicator: Number of firms engaged in deal-related discussions as a result of USAID-sponsored programs</i>					
Unit: Number		Year	Planned	Actual	
Source: Buenos Aires BDS Office database	Baseline	1992	-----	0	
Comments:		1993	-----	2	
		1994	12	***	
	Target	1995	25	***	
<i>Indicator: Number of deals completed</i>					
Unit: Number		Year	Planned	Actual	
Source: Buenos Aires BDS Office database	Baseline	1992	-----		
Comments:		1993	1	0	
		1994	5	***	
	Target	1995	10	***	

might generate U.S. exports. A national conference will be held in Argentina to select project proposals which will then be presented at a conference in Puerto Rico which will bring together LAC companies, U.S. suppliers and project financing sources.

## **2. Program Performance - Uruguay**

USAID's two strategic objectives for Uruguay are:

- (1) More active participation by the private sector in the process of economic reform; and
- (2) Improved efficiency and quality in judicial decision-making.

These objectives support the Agency's goals of achieving broad-based economic growth and building democracy. Programs in place have continued to make progress in achieving USAID's objectives.

### **a. Broad Based Economic Growth: S.O. 1**

Under S.O. 1, USAID activities have aimed to:

1. increase awareness by private business executives of measures to improve their competitiveness; and
2. better inform private business executives, Congress, and the public about legal, regulatory and judicial (LRJ) issues.

This strategic objective deals with the difficult area of attitudinal change. USAID's aim has been to complement and support current GOU-led economic reform efforts which benefit from ample support provided by the IDB and the World Bank. Efforts to create a more activist private sector in a country as isolated as Uruguay, with such a long-standing tradition of central government intervention in the economy and public distrust of business executives, will take time. The Office continued its approach of explaining its objectives to business associations and other organizations and inviting those that were interested and capable to design activities that USAID might support. In the last year, USAID has supported activities with 10 prominent groups to improve Uruguayan competitiveness and promote reforms in the business environment.

### **Program Outcome 1**

Creating a greater appreciation of the importance of quality standards constitutes a critical element in increasing private business' competitiveness. In recognition of this, USAID/Uruguay's agreements with the GOU National Product Quality Commission (CNC) and the Laboratorio Tecnológico del Uruguay (LATU) enabled these grantees to obtain technical assistance from

the U.S. Department of Commerce's National Institute of Standards and Technology. After consulting with NIST, by GOU decree, an industrial quality award (similar to the Malcolm Baldrige Award) was established. Approximately 100 companies requested applications to compete for the award this year, and numerous companies have indicated their intention to improve quality standards and apply in the future.

Another USAID/Uruguay grantee, the Asociación Cristiana de Dirigentes de Empresas (ACDE), has announced its plans to institute an annual competitive performance award to recognize those companies that have significantly improved their competitive position in the marketplace. ACDE also is preparing a study on competitiveness for the next government. ACDE wants to raise the topic with the next government, and make it aware of the competitive advantages and disadvantages that Uruguayan companies face.

Through USAID's short-term cost-sharing agreement with UCRE, an association of micro-enterprise entrepreneurs, UCRE's members are planning a self-sustaining, long-term program to promote competitiveness after USAID funding terminates in 1995. UCRE received USAID support for a program to improve member firms' competitiveness by improving management capabilities.

USAID has had significant impact on the agribusiness sector through its support of FUCREA, a group of 700 of Uruguay's most prominent agribusiness executives. FUCREA recently sponsored a seminar on competitiveness attended by more than 500 executives at which James Austin of Harvard Business School gave the keynote address on international market requirements and measures companies need to take to make themselves competitive. This seminar created great enthusiasm among FUCREA members for the current series of sectorial seminars being given by FUCREA for its members. The former Minister of Agriculture and FUCREA have cited USAID's "competitiveness strategy" as making the most valuable contribution to the economically-troubled agribusiness sector. They point out that the strategy of improving competitiveness from within -- rather than placing blame on the government, or elsewhere -- is the solution to the industry problems. FUCREA plans to continue with its competitiveness activities with IDB funding, after USAID funding terminates in 1995.

Activities with IESC continue to be successful, as Uruguayan companies are very interested in receiving technical assistance. Since 1987, there have been 120 cases of IESC providing technical assistance to Uruguayan companies. The recipient companies have realized numerous benefits such as improved income generation, more effective management practices, procurement of U.S. manufacturing equipment, and U.S. investment and joint-venture opportunities.

The Uruguayan/American Chamber of Commerce (AmCham) has carried out activities which support both program outcomes. The AmCham has organized seminars by internationally recognized experts on competitiveness and LRJ topics for its members, key political and labor leaders, and the public. Through AmCham support to the IESC Fast Track Program, the first of five sector surveys was conducted, and three Uruguayan dairy companies are currently involved in joint-venture discussions with U.S. companies. Thirteen Uruguayan companies have requested to participate in the next Fast Track project involving the software sector, and five companies have expressed an interest in the frozen meal sector program.

With USAID support, the Catholic University has established a business school with an MBA program developed and assisted by a consortium of U.S. universities. The University is now developing its capabilities to serve private business with USAID support.

The RTAC-II textbook program has grown from 3 bookstores in August 1992 to more than 20 bookstores at the end of 1993. The program sold 20,000 textbooks in 1993, and was just 6,000 sales under the volume of sales needed for the program to be self-sustaining. It is anticipated that the RTAC-II textbook program will be self-sustaining when USAID funding terminates in 1995. This program is vital to improving the quality of education at the University of the Republic, and hence human resource competitiveness.

The Junior Achievement program run by DESEM has been remarkably successful, both in expanding program scope faster than anticipated and in successfully demonstrating to the top-level businessmen on its Board that executives can, indeed, organize themselves to improve the prospects for private sector growth. From its beginning in 1991 with 4 schools and 70 students, the Program expanded to 30 schools and over 1,000 students in 1993. The Program has developed a strategy to ensure self-sufficiency when USAID funding terminates in 1995.

#### Program Outcome 2

USAID/Uruguay's LRJ activities have met with limited initial success. While attitudes are changing regarding competitiveness, and companies are working to improve competitiveness from within, private sector awareness of what they can do specifically to improve LRJ conditions is much slower in coming. The majority of businessmen continue to believe that initiatives for LRJ reforms are not the responsibility of the private sector, but should come from the government.

The Centro de Estudios de la Realidad Económica y Social (CERES) has carried out various activities resulting in increased

**TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"**

URUGUAY	
Agency Goal: Achieving broad-based economic growth	
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform	
PROGRAM OUTCOME NO. 1.1 Increased awareness by private business executives of measures to improve their competitiveness	PROGRAM OUTCOME NO. 1.2 Private business executives, Congress and the public better informed about legal, regulatory and judicial (LRJ) issues
Activities	Activities
National Quality Commission (CNC)	Centro de Estudios de la Realidad Económica y Social (CERES)
National Institute for Standards and Technology (NIST)/Laboratorio Tecnológico del Uruguay (LATU)	Uruguayan/American Chamber of Commerce (AMCHAMBER) Guest Speakers Program
International Executive Service Corps (IESC) - T.A.	ORT's Conferences on LRJ
AMCHAMBER/IESC BDS Program	Catholic University of Uruguay (UCUDAL)'s Conferences on LRJ
Improve agribusiness competitiveness (FUCREA)	Cámara Nacional de Comercio economic reform action plan
Improve agribusiness competitiveness (CAF)	
Improve business competitiveness (UCRE)	
University/Private Sector Linkage Program (UCUDAL)	
Support for the Uruguayan National Chamber for Fruits and Vegetables (LAC/TECH)	
RTAC-II	
Junior Achievement - DESEM	
Farmer to Farmer Program (Partners of the Americas)	

# URUGUAY

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

URUGUAY					
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform					
<i>Indicator: Number of business groups involved in promoting economic reform</i>					
Unit: Number of business groups		Year	Planned	Actual	
Source: Annual survey of firms participating in USAID activities	Baseline	1992	---	0	
Comment: USAID/Uruguay has contracted a private survey firm to assist in evaluating the impact of USAID's programs in achieving S.O. #1. The survey firm is in the preliminary stages of analysis, but has confirmed that business group involvement in promoting economic reform was virtually non-existent in baseline year 1992.		1993	---	8	
		1994	8	***	
	Target	1995	8	***	
<i>Indicator: Percentage of businesses participating in USAID activities that have implemented changes in selected areas to improve their competitiveness</i>					
Unit: Percentage		Year	Planned	Actual	
Source: Annual survey	Baseline	1992	---	---	
Comment: The survey firm is currently gathering information concerning businesses' efforts to increase their competitiveness through interviews with business executives who have participated in USAID activities.		1993		***	
		1994		***	
	Target	1995		***	

<i>Indicator: Number of discussions/negotiations aimed at joint ventures generated through BDS program</i>					
Unit: Number		Year	Planned	Actual	
Source: Quarterly reports of grantee Uruguayan/American Chamber of Commerce	Baseline	1992	---	0	
Comment: "Planned" figures are cumulative.		1993	3	3	
		1994	12	***	
	Target	1995	---	***	
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform					
PROGRAM OUTCOME NO. 1.1 Increased awareness by private business executives of measures to improve their competitiveness					
<i>Indicator: Number of business executives participating in USAID activities relating to competitiveness</i>					
Unit: Number		Year	Planned	Actual	
Source: Quarterly project reports of grantees IESC, ACDE, and Uruguayan/American Chamber of Commerce; semi-annual report of CNC	Baseline	1992	---	0	
Comments: "Planned" figures are cumulative, with the majority of individuals participating in USAID activities from one year to the next.		1993	250	1200	
		1994	2300	***	
	Target	1995	2300	***	



<i>Indicator: Change in attitudes and knowledge regarding competitiveness in sample of firms participating in USAID programs</i>					
Unit: To be determined		Year	Planned	Actual	
Source: Annual survey of firms participating in USAID activities	Baseline	1992	---	---	
Comment: The survey firm has just begun gathering this information. To most effectively measure the baseline for this indicator, the "survey group" will include both firms that have participated in USAID activities and those that have not.		1993		***	
		1994		***	
	Target	1995		***	
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform					
PROGRAM OUTCOME NO. 1.2 Private business executives, Congress and the public better informed about legal, regulatory and judicial (LRJ) issues					
<i>Indicator: Number of individuals participating in USAID activities regarding LRJ issues</i>					
Unit: Number		Year	Planned	Actual	
Source: Quarterly project reports of grantees CERES, ACDE, and American Chamber of Commerce	Baseline	1992	---	---	
Comments: "Planned" figures are cumulative and involve the participation of many of the same individuals from year to year. This supports USAID/Uruguay's strategy of focussing on "the involvement of participants from the most important companies in Uruguay's small private sector," as stated in last year's action plan.		1993	450	270	
		1994	600	***	
	Target	1995	600	***	

<i>Indicator: Number of LRJ impediments raised for discussion by grantee business groups involved in USAID activities</i>					
Unit: Number		Year	Planned	Actual	
Source: Quarterly project reports from grantees CERES, ACDE, American Chamber of Commerce  Comments: "Planned" figures are cumulative.	Baseline	1992	---	0	
		1993	8	5	
		1994	12	***	
	Target	1995	12	***	
<i>Indicator: Change in attitudes and knowledge regarding LRJ reforms in sample of firms participating in USAID activities</i>					
Unit: To be determined		Year	Planned	Actual	
Source: Annual survey  Comments: The survey firm has just begun gathering this information. To most effectively measure the baseline for this indicator, the "survey group" will include both firms that have participated in USAID activities and those that have not.	Baseline	1992	---	---	
		1993		***	
		1994		***	
	Target	1995		***	

awareness regarding LRJ issues. Business executives are beginning to demand an environment more favorable to business and to speak out against anti-business legislation and court decisions. The former Minister of the Economy and the former Central Bank President participated in a recent LRJ conference sponsored by CERES.

ORT and UCUDAL are planning new LRJ efforts in 1994, mostly using funds which are already obligated.

**b. Building Democracy: S.O. 2**

Under S.O. 2, USAID activities aim to improve court administration, train justice system personnel, and take steps to modify or improve implementation of selected laws affecting commerce. USAID/Uruguay's support for reform of the Uruguayan justice system, which is carried out through a grant to the UNDP, has attained significant accomplishments in the last year.

Through the training programs of the Centro de Estudios Judiciales del Uruguay (CEJU), professional training is now a routine part of the judicial profession. CEJU has achieved recognition both in Uruguay and within the LAC region and continues to reinforce the already high quality of Uruguay's independent judicial system. A recent Supreme Court resolution was passed directing that CEJU courses be taken into consideration when promoting judges. This resolution recognized the importance of judicial training and the status of the CEJU as the principal factor in the professionalization of the judiciary.

Through USAID funding, Uruguayan Supreme Court Justices have travelled to the United States to gather information that will assist them in designing court reforms. This year, the AOJ project has assisted the Court with the design and implementation of a statistical system, the implementation of delegations of administrative authority, and the establishment of personnel management measures to improve court management. The statistical system being developed for Uruguay has been presented as an example for other Latin American countries at the two Interamerican Conferences on Judicial Statistics and Delay Reduction organized by the National Center for State Courts. The effectiveness of court administration reform is demonstrated by the significant reduction both in the time required to obtain first-level decisions in civil cases (from roughly 30 months in 1989 to 9 months in 1993) and in the percentage of Supreme Court sessions devoted to administrative matters (from 70-80% in 1992 to 20% in 1993. 1993 also saw the establishment of U.S.-style planning conferences of judges as a routine activity of the Supreme Court.

TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

URUGUAY	
Agency Goal: Building democracy	
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decisionmaking	

PROGRAM OUTCOME NO. 2.1 Court administration and other judicial reforms implemented	PROGRAM OUTCOME NO. 2.2 More professional justice system personnel	PROGRAM OUTCOME NO. 2.3* Steps taken to modify or improve implementation of selected laws affecting commerce
Activities	Activities	Activities
Administration of Justice:	Administration of Justice:	Administration of Justice:
Supreme Court	Supreme Court	CEJU
Centro de Estudios Judiciales del Uruguay (CEJU)	CEJU	Supreme Court

\* This activity is now part of the IDB program. USAID/Uruguay provided bridge funds until IDB money was available.

Uruguay					
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making					
<i>Indicator: Median number of months required to obtain first-level decisions in civil cases</i>					
Unit: Median number of months		Year	Planned	Actual	
Source: Baseline: 1990 UNDP study. Ongoing: court management information system	Baseline	1989	---	29-33	
Comments: Data does not include family law cases, for which delays in reaching decisions were at a reasonable level in the baseline year. The 1993 figure is higher than the 1992 figure because strikes and work stoppages caused delays.		1992		7	
		1993		9	
		1994	7	***	
	Target	1995	7	***	
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making					
PROGRAM OUTCOME NO. 2.1 Court administration and other judicial reforms implemented					
<i>Indicator: Judicial planning and budgetary capability instituted</i>					
Unit: Yes/No		Year	Planned	Actual	
Source: Supreme Court semi-annual reports	Baseline	1992	----	no	
Comment:		1993	----	no	
		1994	----	***	
	Target	1995	yes	***	

<i>Indicator: Percentage of Supreme Court sessions devoted to administrative matters</i>					
Unit: Percentage		Year	Planned	Actual	
Source: Baseline from report of consultant William Davis; ongoing monitoring by Supreme Court.  Comment: The percentage is based on the number of sessions per week which the Supreme Court devotes to administrative versus jurisdictional matters, as reported by the Supreme Court Justices. "Planned" figures have been revised because the original 1995 "target" has already been reached.	Baseline	1992	----	70-80 %	
		1993	60 %	20 %	
		1994	20 %	***	
	Target	1995	10 %	***	
<i>Indicator: Other administrative and judicial reforms implemented</i>					
Unit: Number		Year	Planned	Actual	
Source: CEJU and Supreme Court semi-annual reports  Comment: Other reforms expected to be implemented: <ul style="list-style-type: none"> <li>- Statistical system (started)</li> <li>- Management information system (started)</li> <li>- Pilot program on ADR (started)</li> <li>- Data base for tracking court decisions</li> <li>- Pilot program on Small-claims Courts or personnel system database created</li> </ul>	Baseline	1992	-----	0	
		1993		3 reforms started	
		1994	4	***	
	Target	1995	5		

STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making					
PROGRAM OUTCOME NO. 2.2 More professional justice system personnel					
Indicator: In-service judicial training formally linked to judicial career					
Unit: Yes/No		Year	Planned	Actual	
Source: CEJU semi-annual reports	Baseline	1992	----	no	
Comment: A court resolution has been passed directing that CEJU courses be taken into consideration when granting promotions.		1993	-----	yes	
		1994	yes	***	
	Target	1995	yes	***	
Indicator: Ethics code established					
Unit: Yes/No		Year	Planned	Actual	
Source: CEJU semi-annual reports	Baseline	1992	----	no	
Comment: This is now being done under the IDB program.		1993	----	no	
	Target	1994	yes	***	

STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making						
PROGRAM OUTCOME NO. 2.3 Steps taken to modify or improve implementation of selected regulations and laws affecting commerce						
<i>Indicator: Number of regulations and laws addressed/drafted/passed</i>						
Unit: Number		Year	Planned	Actual		
Source: CEJU semi-annual reports	Baseline	1992	-----	addressed: 0 drafted: 0 passed: 0		
Comment: This activity is now under the IDB program. USAID provided the bridge funds until IDB money was available. Bankruptcy laws began to be considered for revision in 1993.		1993	addressed: 1 drafted: 1 passed: 1	addressed: 1 drafted: 0 passed: 0		
		1994	addressed: drafted: passed:	***		
	Target	1995	addressed: drafted: passed:			



**C. CLOSE-OUT PLANS**

**1. Portfolio Status Tables (attached)**

**2. Planned Final Bilateral Activities**

**a. Program Close-Out Strategy**

During the close-out phase of bilateral programs in Argentina and Uruguay, we plan to focus on the goals of achieving results and sustainability. We will:

- Complete activities with selected grantees which can achieve specified results by mid-1995, and can be sustained thereafter, and stop supporting activities of other grantees where this is not the case.
- Work with selected grantees and the IDB and World Bank to make arrangements for other donor support of activities which have proven themselves successful during initial phases financed by USAID.
- Actively plan for participation of selected grantees in new LAC regional programs, if it is decided by AA/LAC that this is desirable.

The PACDs of all but one activity<sup>1</sup> will occur by June 30, 1995. All necessary steps for program/contract close-out and reduction/closure of USAID's offices in Montevideo and Buenos Aires will be taken by February 1996.

**b. Uruguay**

**(1) S.O. No. 1**

Additional funding during the close-out period will be limited to NGO grantees whose programs meet two criteria: additional results will be obtained before June 1995, and programs have a good chance of being sustained after that date in the absence of further USAID support. We will also continue discussions with the IDB and GOU regarding possible MIF support for successful activities started with USAID financing.

Additional funding will be provided to the following grantees:

FUCREA - for institutionalization of its program to make

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<sup>1</sup> The IESC Business Development Services Program in Argentina, whose February 1996 PACD will be changed to December 1995.



ACTIVITY TITLE	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<u>ITT - continued</u>																
ORT				x												
UCRE				x												
FUCREA				x												
CAF				x												
IESC BDS Program					x											
UNDP/Empretec				x												
<u>Administration of Justice</u>																
Centro de Estudios Judiciales del Uruguay (CEJU)																
Supreme Court of the Nation																
<u>Others</u>																
Partners of the Americas				x												
ESF Local Currency Program																
LAC/TECH support to agribusiness organizations					x											
Farmer to Farmer*	x															
<b>TOTAL PROJECTS (number)</b> (at end of FY 4th Quarter)				14				23					20			3
																2

\*amendment under consideration

Table 3: USAID/ARGENTINA PORTFOLIO -- ACTIVITY TIMELINE

ACTIVITY TITLE	FY92				FY93				FY94				FY95				FY96			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Administration of Justice	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-	-
Poder Ciudadano	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-
Tribunal de Cuentas/Civil Service Secretariat/SIGEN	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-	-	-	-	-
Conciencia	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-
SEC/Comisión Nacional de Valores	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peace Corps - SPA	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IESC BDS Program	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-
R&D/EI Activities	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farmer to Farmer*	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WID - Women's Strategic Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x
<b>TOTAL PROJECTS (number)</b> (at end of FY 4th Quarter)				8				9				10				3				

\*amendment under consideration

member firms more competitive, to increase coverage from 120 to 700 firms, and to increase linkages with U.S. agricultural organizations.

UCRE - for a Total Quality Management program with LATU for 30 micro-enterprises.

ORT - for additional events to mobilize private sector support for LRJ reform.

RTAC/Alianza - to obtain financial sustainability of the program.

Cámara Nacional de Comercio - to finance a second private sector action plan for economic reform for presentation to the new government.

Activities of the following grantees will conclude on schedule with no further USAID funding: ACDE, CAF, IESC (company T.A.), CERES, AmCham, EMPRETEC and LATU/CNC cooperation with NIST.

Lastly, additional regional/central bureau funds will be used: a) from LAC/TECH to continue efforts to improve competitiveness of Uruguayan fruit and vegetable producers and link them with U.S. producers/marketers; b) from LAC/TDP for efforts to close-out our successful cooperation with the Catholic University (UCUDAL) with activities to promote de-regulation; and c) from G/PRE for the IESC Business Development Services Program, if it proves itself feasible in Uruguay.

USAID-financed activities under this S.O. will have terminated too soon for Uruguay to have transformed the manner in which the private sector involves itself in the process of economic reform, but significant progress in the right direction will have been achieved and a number of organizations' programs started with USAID support will continue. These include the UCUDAL MBA and business services program, FUCREA and CAF's programs to improve agribusiness-competitiveness, EMPRETEC's micro-enterprise/entrepreneurs training program and UCRE's program of technical assistance to improve competitiveness of firms run by EMPRETEC graduates, the DESEM Junior Achievement Program, the RTAC Program, the CNC industrial quality award program, LATU/NIST cooperation on metrology standards that can facilitate U.S. exports, and an improved capacity to catalyze LRJ reforms in ORT, CERES, and the AmCham.

(2) S.O. No. 2

Our strategy for completing USAID support for the Uruguayan AOJ Program is to complete activities already planned for the March 1994-June 1995 period and to help the Supreme Court and CEJU take the steps necessary to assume full financial responsibility for

court administration and judicial training programs by January 1996. IDB support to the Court will continue beyond 1995 for the CEJU legal and judicial impediments program and introduction of alternative dispute resolution methods. Additional IDB support is a possibility. There will be a funding gap of six months (July-Dec. 1995) between the termination of USAID support and the initiation of GOU support for USAID-financed activities, which we will work with the Court to fill.

During the final period of USAID support, the CEJU judicial training program will complete its institutionalization. In addition to continuing provision of training for judge-candidates, candidates for administrative appointments, and in-service judicial and administrative personnel, the following steps will be taken to institutionalize the CEJU training program:

- Up-dating training needs assessments.
- Final design of ten curricula modules.
- T.A. and teacher training in methodologies for teaching to adults.
- Finalization of a rolling data-base on individuals trained by CEJU for use by the Supreme Court in considering promotions.
- CEJU support to the Inter-American Federation of Judicial Schools, as its Secretariat, and cooperation with the National Center for State Courts for an Inter-American Congress of Judicial Schools.

The court administration program with the Supreme Court will focus on completing planned activities to improve a) judicial organization, planning and budgeting, and b) statistical and information management systems. This will include:

- Development of standard procedures and documentation for key administrative duties.
- Elaboration of a judicial decision digest.
- T.A. in procurement planning and acquisition procedures.
- T.A. in budgeting and financial management.
- Design of software for administrative functions.
- Seminars for judges and their assistants on the use of judicial statistics.
- Training in information system development and maintenance.

Lastly, other important activities will be undertaken to help introduce new reforms, including a pilot program to create small claims courts, completion of the Partner's juvenile justice program, a trip to visit U.S. courts by the two newest ministers on the Supreme Court, and completion of ILANUD assistance to modernize the Court's library.

By the end of the USAID/UNDP AOJ Program in Uruguay, we will have assisted the Supreme Court in making numerous important reforms and in maintaining its pre-eminence among judicial systems in South America. Specifically, these reforms will have included a) creation of a permanent judicial training center (CEJU) with its direct effect on the successful implementation of the oral procedure code for civil cases; and b) the installment of a permanent court administration improvement program. Specific accomplishments are listed below:

**(a) Judicial efficiency/effectiveness improved at Supreme Court level through:**

- Supreme Court delegation of authority for administrative matters.
- Statistical system implemented, standards defined.
- Judicial decision data base created and implemented.
- Judicial planning and budgetary capability instituted.

**(b) Judicial efficiency/effectiveness improved at trial court level through:**

- Judicial decision data base created and made accessible to all judges.
- Management information system designed and implemented.
- Personnel system strengthened.
- Entry-level and in-service training to judicial personnel.
- Research and seminars to help identify and address legal and judicial impediments to trade and investment.

**(c) Judicial Sector accountability/credibility strengthened by:**

- Appointment and promotion of judges and other judicial personnel, taking formally into consideration courses taken at CEJU.
- Establishment of a judicial ethics code.

**(d) Access to justice improved through:**

- Pilot efforts on new procedures for the justice system (alternative methods of dispute resolution and small-claims courts).
- Modernization of the juvenile justice system.

**c. Argentina**

**(1) S.O. No. 1**

USAID and the Argentine participants in the AOJ Program have agreed on the following strategy for terminating bilateral USAID support for AOJ efforts in Argentina by mid-1995:

- We will collaborate with World Bank and IDB staffs, who are currently designing a co-financed AOJ project to begin in late 1995.
- We will significantly increase AOJ activities with provincial courts, given the excellent prospects for progress there and the interest expressed by the World Bank and IDB in including provincial activities as an important part of their project.<sup>2</sup>
- We will continue to place primary emphasis on "demand" activities by Argentine NGOs to help improve the political climate for change.

Accordingly, the AOJ Program will finance the following activities during its final 18 months:

#### Fundación La Ley

- CEJURA activities: 1) sub-regional seminars among several neighboring provincial courts on the use of court statistics, administrative reforms implemented by the Supreme Court of the Province of Buenos Aires, and the model administrative diagnosis to be carried out on the Province of Santa Fe; 2) two national congresses on court administration; 3) formal establishment of CEJURA as a vehicle for channelling assistance to the provincial courts; 4) development of standards for information management systems; 5) seminars on judicial education in five provinces and development of training material in four specific areas for pilot use in four provinces.
- Publishing of FLL Judicial Reform Bulletin.
- Publishing results of judicial awareness survey and coordinating follow-up use by participating NGOs and public sector entities.
- Joint program with IDEA to reduce court delays in selected pilot courts.
- AOJ Program administration/coordination.

#### Supreme Court of the Province of Buenos Aires

- Completion of project to automate receivers' offices.
- Design of manual of procedures for decentralization of administrative functions within the Province.
- Installation of public information centers at several court sites and publication of a judicial information guide for the public.
- Initiation of province-level training programs to include

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<sup>2</sup> Political conditions at the federal level are not favorable to making any progress with the thoroughly discredited National Supreme Court; although hopefully public pressure will help change this situation by the time the WB/IDB project begins.



technical assistance/training in judicial school organizations and functions and use of adult education methodologies, delivery of courses on personnel management, court organization, economics for judges, and development of off-site/correspondence courses.

- Continuation of training for mediators and public defense personnel.

#### Ministry of Justice/Libra

- Establishment of Judicial Mediation Center.
- Expansion of mediation courses to the provinces.
- Completion of pilot program of neighborhood mediation centers.
- Assistance to the MOJ Mediators' School.
- Seminars on mediation for schools, professional associations, etc.

#### FORES

- T.A. on public defenders' programs for selected provinces.
- First National Congress of public defenders.
- Assistance to Commission on Reform of Public Defenders' Offices.

During the next 18 months, the public sector component of USAID's anti-corruption program will be limited to six months intermittent T.A. to the GOA internal control agency (SIGEN), where a real interest and capability to improve financial control exists. This T.A. is already funded and is being transferred from the Contraloría General, where it was not effective due to lack of political will.

Support for Poder Ciudadano's programs, which are reaching more and more interest groups and will be expanded to selected provinces, will be completed as scheduled. Efforts are already underway to mobilize more local funding for Poder Ciudadano and will have to be increased. Poder Ciudadano's services are also available in other LAC countries. Using already obligated funds with USIS, we will also support events sponsored by other Argentine NGOs interested in promoting good governance.

Support will also be continued for Conciencia activities, as previously scheduled. Conciencia will shift resources from its municipal development program to its more successful components. Its program for training female political candidates will expand to the Provinces of Mendoza and Corrientes. Course graduates will meet for the first time at a national level in Córdoba.

Conciencia is similar to Poder Ciudadano in its need to expand local sources of support. Realistically, both organizations will

continue to need outside donor support for some time to enable them to continue their current levels of activity in Argentina, let alone provide assistance and advice in other LAC countries.

When USAID support for S.O. No. 1 in Argentina is terminated, a number of AOJ reforms will have been implemented, the base will have been laid for continued and expanded AOJ assistance from the World Bank and the IDB, and the capabilities of five Argentine NGOs will have been developed and their various programs established and running well. More specifically:

- Significant progress will have been achieved by the Provincial Court of Buenos Aires in implementing a series of court administration reforms and judicial training programs that can be emulated by other provincial courts and the National Supreme Court.
- Mediation and Public Defenders programs will have been instituted.
- CEJURA will be established and have provided a series of services to provincial courts.
- Private sector leaders will be involved in the judicial reform process as a result of IDEA's work.
- The National Supreme Court will have (already does have) comprehensive action plans for administrative reform and the creation of a national judicial school which it can begin to implement if, and when, it decides to do so.
- Lastly, and most importantly, public awareness of judicial issues and demand for reforms will have significantly increased as a result of the activities of USAID-supported Argentine NGOs. Additionally, the comprehensive programs of Poder Ciudadano and Conciencia will be fully established.

By mid-1995, USAID's democracy program in Argentina will have achieved significant results, but real progress in the broadly stated strategic objective will take years longer to achieve. Civic education and participation -- promoted by local NGOs -- is the most vital ingredient necessary for obtaining real progress in strengthening Argentina's democracy. USAID's financial support, and the broader USG political support it has represented, have been important to the successes achieved by the Argentine NGOs with which we have collaborated. But given financial limits, the number of NGOs supported has been small relative to the challenges at hand and number of Argentines willing to work for reforms. Other donors do not provide this type of assistance to NGOs. Although it is true that Argentines themselves can go a lot further in efforts to finance indigenous NGO civic organizations, with the departure of USAID it is not at all clear that adequate resources will be available to the many Argentine civic organizations and other NGOs which wish to push for democratic reforms.

(2) S.O. No. 2

USAID will complete activities with the CNV, IESC/BDS and G/RD/EI.

In accordance with the global strategy of G/PRE, efforts will proceed to make the Argentine BDS Program self-sufficient on the basis of fee income paid to IESC by the Argentine and U.S. business partners in joint venture deals brokered by IESC.

The USAID-sponsored SEC-CNV cooperation program will be complete in 1994 with enforcement training in the U.S. for CNV personnel.

G/RD/EI will complete efforts with U.S. renewable energy associations and provincial entities in Argentina to identify and promote opportunities for export of U.S. energy/environment technology. That Office will also complete design of a short demand-management training activity for regulated Argentine public utility companies.

All three of these USAID-sponsored activities should terminate successfully; although, of course, their impact at the S.O. level will be negligible given their limited scope. Nevertheless, important sustainable results will have been achieved by USAID by the time the bilateral program ends. These are:

- Institutionalization of a permanent, self-financing IESC BDS program in Argentina to promote joint ventures which assist in Argentine socio-economic development and solidifying commercial ties with the U.S.
- At least ten completed joint ventures.
- Preparation of Argentine renewable energy project proposals which use U.S. technology.
- Cooperative relationships established between U.S. renewable energy associations and Argentine utilities/investors.
- A permanent cooperative relationship established between the CNV and the SEC.

3. Evaluation Plan

The 1992 Action Plan called for alternating annual evaluations of democracy and growth activities in both countries. A first evaluation of USAID-sponsored democracy programs in Argentina and Uruguay took place in 1993 as part of CDIE's world-wide evaluation of USAID legal reform programs. The results were favorable, as noted elsewhere in this report.

Given the decision to terminate bilateral programs, the USAID Representative proposes to undertake only one more evaluation -- a final evaluation of the results of all USAID-sponsored activities in Uruguay and Argentina since the initiation of MDC

programs in 1986 and 1989, respectively. This evaluation will be done during the second half of 1995 and it will focus on documenting achievements and indicating lessons learned which might be applicable in other countries.

#### 4. Operational Plan

A final operational plan for closure of the USAID/Argentina/Uruguay Offices will be completed by the end of FY 1994 after the AA/LAC makes his decision concerning the possibility of Southern Cone participation in regional projects, and following further detailed consultations with USAID/Bolivia staff. The list of close-out tasks promised by the M Bureau has not been received, but we believe it will include the following items:

- Program supervision/personnel management.
- Grant/contract close-out.
- Financial control.
- NXP/project commodity disposal.
- Record/file retirement.

Detailed plans and schedules will be made in each of these areas, and responsibilities will be assigned to specific individuals. Close-out steps will begin to be taken during the first half of 1995, but most actions will be taken between July and December 1995. The only exception to this is the closure of the USAID Office in Buenos Aires which will take place in January 1996, following termination of USAID support to the IESC/BDS program.

The USAID Representative is scheduled to depart post in July 1995. FSN staff and the Office's USPSC Program Assistant are fully capable of implementing the Office's closure plan, but they will require intermittent USDH supervision on-site. In addition, a USDH officer will have to be assigned over-all responsibility for winding down Office affairs. This could be provided in several ways; i.e., by an officer in USAID/Bolivia or USAID/W who schedules a few weeks TDY during the period, or by the person assigned as Southern Cone USAID Representative, if there is to be one, for participation in regional programs.

More direct supervision of accounting and financial control activities by the USAID/Bolivia Controller during the latter part of 1995 will also be important. Given the confidence the Controller has in our FSN staff, this should be possible by scheduling supervisory TDYs once a quarter.

The USAID Representative is making special efforts to get the GOU to expedite disbursement of local currency generated under the 1986 ESF program, but it is likely that some disbursements will still need to be made after his departure. Despite slow disbursement rates, the GOU now is managing the program very well, but nevertheless responsibility for monitoring this

activity will have to be transferred to the USAID/Bolivia Controller.

We will schedule a TDY from USAID/Bolivia EXO for the purpose of preparing a detailed plan for disposal of USAID NXP and a very limited amount of project commodities. The plan will call for EXO supervision of disposal activities to be carried out either by an FSN from USAID/Bolivia EXO or a specially hired PSC.

FSN staff in Uruguay will take care of grant and contract close-outs in accordance with our Local Order, and of retirement of records and files in accordance with instructions from the USAID/Bolivia EXO.

Listed below are the projected termination dates of USAID/Argentina/Uruguay personnel.

		<u>Funding Source</u>	<u>Departure Date</u>
<u>USDH</u>			
R. J. Asselin	USAID Representative	OE	7/95
<u>FSN/Uruguay</u>			
J. Abella*	Sr. Proj. Officer	Program	12/95
J.C. Belza	Sr. Proj. Officer	Program	12/95
A. Giacri	Sr. Accountant	OE	2/96
M. Martinez	Off. Asst./Chauffeur	OE	12/95
M. Meloni	Ex. Asst./Off. Mgr.	OE	2/96
G. Rubini	Voucher Examiner	OE	12/95
J. Saracini	RTAC Proj. Mgr.	Program	12/94
V. Suero	Ex. Secretary	OE	12/95

\*spends half-time on Argentina

FSN/Argentina

E. Ainscough	Ex. Asst./Off. Mgr.	Program	1/96
R. Bisso	Project Officer	Program	1/96

USPSC

J.W. Rudman	Program Assistant	OE	9/95
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As indicated above, the final Operational Plan will schedule specific TDYs of supervisory EXO and Controller personnel. If possible, we prefer these TDY personnel to come from USAID/Bolivia which is already very familiar with our Office's operations.

**TABLE 4**  
**USAID/ARGENTINA**  
**SUMMARY PROGRAM FUNDING TABLE**  
**Dollar Program (\$000)**

<i>Funding Category</i>	<i>FY94</i>	<i>SO#</i>
<b>LAC Bureau</b>		
<b><i>ITT</i></b>	<b>375</b>	
Business Development Services	285	2
PD&S	75	N/A
Peace Corps - SPA	15	other
<b><i>AOI/DI</i></b>	<b>1,150</b>	
Administration of Justice	785	1
Poder Ciudadano	200	1
Conciencia	165	1
<b>Total LAC Bureau</b>	<b>1,525</b>	
<b>Other Bureau-funded</b>		
WID - Women's Strategies and Resources	65*	other
<b>Total Non-LAC Bureau</b>	<b>65</b>	
<b>PROGRAM TOTAL</b>	<b>1,590</b>	

\* This figure is an estimate. G/R&D/WID plans to obligate an additional \$50,000 in FY 95.

**TABLE 4**  
**USAID/URUGUAY**  
**SUMMARY PROGRAM FUNDING TABLE**  
**Dollar Program (\$000)**

<i>Funding Category</i>	<i>FY94</i>	<i>SO#</i>
<b>LAC Bureau</b>		
<b><u>ITT</u></b>	<b>535</b>	
UCRE	30	1
FUCREA	60	1
ORT	30	1
DESEM	60	1
National Chamber of Commerce	50	1
RTAC	60	1
PD&S	200	N/A
Peace Corps - SPA	30	other
Peace Corps - Environment	15	other
<b><u>AOJ/DI</u></b>	<b>466</b>	
UNDP: AOJ	466	2
<b><u>Bureau-funded</u></b>	<b>100</b>	
TIDP expert for UCUDAL	50	1
LAC/TECH agribusiness experts	50	1
<b>Total LAC Bureau</b>	<b>1,101</b>	
<b>Other Bureau-funded</b>		
PRE/BDS	75	1
<b>Total Non-LAC Bureau</b>	<b>75</b>	
<b>PROGRAM TOTAL</b>	<b>1,176</b>	

**TABLE 5 - BASE COSTS (75% OF TARGET COSTS)**  
**USAID/Argentina/Uruguay**  
**OE Funding Requirements**  
**(\$000)**

OE LEVELS BY MAJOR FUNCTION CODE:		FY 94 BASE	FY 95 BASE	FY 96
U100 U.S Direct Hire		11.0	28.0	0
U200 F.N. Direct Hire		0	0	0
U300 Contract Personnel		145.0	174.1	51.0
U400 Housing		45.8	16.9	0
U500 Office Operations		127.2	132.0	28.1
U600 NXP Procurement		2.0	0	0
Sub-Total-Core Cost		331.0	351.0	79.1
Downsizing Cost: U100		0	0	0
U200		0	0	0
U300		0	0	50 (est)
Sub-Total Downsizing Cost		0	0	50
<b>Total OE Cost</b>		<b>331.00</b>	<b>351.00</b>	<b>129.1</b>

Mission Staffing Requirements						
	FY 94		FY 95		FY 96	
	USDH	USPSC FSN	USDH	USPSC FSN	USDH	USPSC FSN
Total FTEs or Workyear	1	1 10	.75	1 9.25	0	0 2.75
of which Program funded		5		4.25		1.25

\*\* Mission has no PASAs or TCNs



#### **D. RESOURCE REQUIREMENTS**

Tables 4 and 5 show requested program and operating expense budget requests. As instructed, all program funding needed to close bilateral programs is included in our FY 1994 request, and we need all program funds this year in order to terminate bilateral activities on schedule.

The O.E. funding levels are minimum levels set below our FY 1993 level of \$400,000, despite 20 percent dollar inflation in Uruguay during 1993. As in FY 1993, costs of necessary TDYs from La Paz are not included in our budget requests.

#### **E. ISSUES**

The USAID Representative requests that two issues be settled definitively at the Action Plan review if at all possible: 1) establishing USAID/Argentina/Uruguay FY 1994 program and OE budget levels; and 2) deciding whether and how Uruguay and Argentina might participate in regional programs after bilateral programs terminate.

##### **1. Budgets**

Because our programs are funded from regional project accounts and OYBs are not set for MDCs, we are never sure how much program money we will receive until budget allowances arrive, usually in the third quarter of each year. Funding in FY 1994 is very tight. In order to be sure that the close-out plan approved by USAID/W is implemented on schedule, we request that specific program funding levels for each country be set at the Action Plan reviews and that all budget allowances be received by March 15, 1994.

OE resources are also a problem, as everyone knows. Our requested FY 1994 level is much lower than our FY 1993 budget despite 20% dollar inflation in Uruguay during 1993. Can the requested amount be approved?

##### **2. Future Regional Programs**

If USAID/W decides to develop new regional programs in which Southern Cone countries can participate, they can either be based in Washington and cover the whole LAC region, as we recommend in Annex 1, or they can be designed and run from a Southern Cone Office or USAID/Bolivia by a Regional USAID Representative. No matter where such a Representative might sit, programs which s/he develops to focus only on the Southern Cone would be at a disadvantage in obtaining budget resources and LAC Bureau attention. As is the case now, the Representative would also have trouble "reaching out" to expertise available in the U.S.

and would have to rely mostly on already existing USAID/W projects. So, we suggest the first decision to consider, if it is decided that it is desirable to allow Southern Cone countries to participate in regional programs, is whether they would be developed and managed in the field or in Washington.

Secondly, we recommend LAC consider whether USAID should assign a Southern Cone USAID Representative to the field or not, and if so, whether to La Paz or to a Southern Cone post. Assigning a Representative is desirable for several reasons, but may not be affordable. This person would be relieved of project design and contracting responsibilities if Washington-based programs are available, and his/her presence in the Southern Cone would allow frequent contact with host country counterpart personnel and U.S. Embassy colleagues, which is indispensable for understanding local conditions and arranging participation in, and contributions to, regional programs by Southern Cone leaders. If USAID cannot afford to station an officer in the Southern Cone<sup>3</sup>, participation in Washington-based programs could still be arranged by an FSN assigned to each country as long as quarterly trips from an LAC officer responsible for the Southern Cone were made for supervisory and coordination purposes. We see no advantage to be gained over this option by assigning Southern Cone responsibilities to a USAID/Bolivia officer. It is unlikely that an officer would be able to devote full time to affairs outside Bolivia. S/He would not have any more contact with local counterparts or knowledge of local conditions than a USAID/W officer unless USAID kept him/her on the road frequently (and probably spent as much on travel as it might cost to assign a Representative in the Southern Cone itself). In addition, a Washington-based officer would have more contact with, and knowledge of, U.S. resources available under regional projects.

We need to know whether LAC intends to maintain USDH, USPSC or FSN staff in Montevideo before we can finalize our operational plan for closure (or down-sizing) of our Office.

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<sup>3</sup>Of the three U.S. Ambassadors to the Southern Cone countries where USAID bilateral programs are closing, only Amb. Dodd in Montevideo has indicated a willingness to accept assignment of an USAID Representative.

## THOUGHTS ON POSSIBLE FUTURE LAC REGIONAL PROGRAMS

The conditions under which the LAC Bureau must now operate have changed significantly.

- Program funds for the region have already been reduced drastically and may be cut further.
- O.E. funding shortfalls are forcing us to reduce USDH and USPSC staff overseas.
- The Administrator has challenged the Agency to find different ways to achieve results (e.g., relying on centralized expertise and projects which reach out to a larger variety of experts and institutions in the U.S.; devoting less time and effort to project development and contracting in individual countries; and emphasizing more participatory approaches to achieve sustainable development).
- Socio-economic conditions within most LAC countries have improved. Developmental challenges they face are similar, and there are more opportunities for cooperation among countries in areas of mutual interest.
- The Clinton Administration is developing a major new initiative for U.S. partnership with the LAC Region. It is to emphasize trade liberalization and regional integration, environmental protection, and sustainable development programs.

USAID programs in LAC countries are moving into three categories: a) big bilateral programs for poorer countries; b) small bilateral programs for better-off countries; and c) no bilateral programs for some MDCs, but with the possibility of their still participating in, and contributing to, new regional programs.

- a) Big: Bolivia, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Perú.
- b) Small: Brazil, Colombia, Dominican Republic, Ecuador, Jamaica, Mexico, Panama, and Paraguay.
- c) Regional: Argentina, Belize, Chile, Costa Rica, Eastern Caribbean, Uruguay and Venezuela.

Given budget cuts in LAC, it probably will not be possible to operate in as many countries as the LAC Bureau would like while maintaining the ways of doing business to which we have become accustomed (i.e., continuing to focus on carrying out self-sufficient, decentralized and isolated bilateral programs to

address individual country needs). If we try to continue this approach in LAC despite drastic funding cuts, the Bureau will be forced to reduce the scope of existing country programs by cutting the number of activities in sectors in which bilateral programs are active, cutting whole sectors from bilateral programs, and eventually, cutting bilateral programs in their totality. This will make it increasingly difficult to achieve sustainable development results in the number of LAC countries in which we would like to work. We could eventually be reduced to working only in a few of the Region's poorest countries. This would limit USAID's responsibilities in the Administration's new initiative for Latin America to poverty reduction in a few countries only.

Alternatively, an important step the LAC Bureau could take to respond to the Administrator's challenge to operate differently would be to develop new regional programs in USAID's four areas of global interest, which are capable of responding to conditions that are unique to Latin America. Such new programs, if structured differently than our traditional regional programs, would enable the Bureau to be responsive in areas of key interest to the Region, despite budget and personnel cuts, both in poorer countries where we maintain relatively large bilateral programs and in countries with small bilateral programs and advanced countries with no bilateral programs at all.

LAC's new regional programs would have to be structured differently and operate differently than traditional LAC regional programs. They would not be "institution-based", such as those formerly supported by ROCAP which tended to be regionally focussed efforts carried out in isolation of bilateral mission efforts, nor would they be "buy-in" projects that simply provide a contracting vehicle for basically isolated activities managed by bilateral missions.

New regional programs would be managed by the LAC Bureau. They would be structured to respond to specific needs common to several LAC countries in specified areas, be implemented according to strategies valid for the whole Region or sub-regions, rely on a wider variety of U.S. expertise available through the new Global Bureau, and explicitly promote regional cooperation and exchanges among LAC countries. Technical specialists in field missions, and USAID personnel in MDCs, would be able to access the expertise and other resources available from these new regional programs without having to go through lengthy project design and contracting processes because areas of emphasis, assistance approaches and contracts would already have been identified and/or completed. The new programs would be flexible to respond to local conditions and changes (such as are the current LAC/TECH and LAC Cholera programs), and services could be accessed by cable with much less need for PIO/Ts, work-orders and the like. Fewer field personnel would be needed, and

they would be more involved in substance than process, and have more contact with their counterparts.

Working in this way may seem difficult to imagine, but from our own -- admittedly small but still effective -- efforts in Argentina and Uruguay, we have seen it work. We have not had the staff necessary to engage in lengthy project design and contracting processes; so we have been forced to rely on projects already put in place by AID/W. We have used them to supplement the small grants we make to local NGOs by providing access to U.S. expertise. We have used resources available from the Regional AOJ Project, LAC/TECH, RTAC II, various Office of Energy (RD/EI) projects, the IESC Business Development Services Program, the International Center for Economic Growth and Privatization Projects of PRE, and the University Linkages Program. On our own, we contacted the S.E.C., the National Institute of Standards and Technology, USIS, Peace Corps, Partners of the Americas, and Junior Achievement for programs here. None of the assistance provided by these organizations or USAID/W projects required us to develop P.P.s or negotiate large contracts.

Some areas in which new Washington-based regional programs might be developed for the LAC Region are:

#### Democracy:

- Regional AOJ II (National Center for State Courts program of T.A. to courts, regional cooperation, U.S. court visits/linkages, and support to NGOs working on the "demand-side" being designed)
- LAC NGO co-financing from U.S. NGOs (e.g. expansion of Partners' program)
- Grants to LAC NGOs for regional programs with other LAC NGOs (e.g. Conciencia and Participa for civic education; Poder Ciudadano for anti-corruption; Fundación Libra for mediation)
- Legislative improvement -- contract/grant priority for T.A. from 3 or 4 state legislatures
- Public Sector Financial Management (exists)

#### Growth:

- Regional LRJ (T.A. to governments, NGOs, research groups in key areas from U.S. experts; bilateral regulatory cooperation with federal and state government authorities)
- NAFTA Compatibility (T.A. in NAFTA trade, labor and environmental standards and practices) to LAC countries and sub-regional groups interested in accessing NAFTA)

- Agribusiness/Cooperative Trade Association Development (U.S. association T.A. for institutional development and member service programs; commercial linkages with the U.S.)
- Micro-enterprise/small business association exchanges (organized by appropriate U.S. organizations)
- IESC Business Development Services (joint venture) Program (exists)

#### Environment:

- LAC NGO development and support (from qualified U.S. and LAC NGOs)
- Analysis and Planning T.A. (for LAC local governments)
- Renewable energy and anti-pollution/clean-up programs (U.S. trade association and consultant services to private firms and municipalities)

#### Health and Population:

The Office of Health and Population already has developed several projects, but many need to be focussed, in part, on specific LAC needs.

Changing the way USAID operates in the LAC Region by developing new regional programs would help the LAC Bureau meet several objectives:

1. LAC would be able to continue to be responsive in USAID's four global priority areas in a greater number of LAC countries than would be possible if we rely primarily on bilateral projects. Even within priority countries in the Region where we maintain large bilateral programs, we would be able to achieve results more quickly and with fewer overseas staff.
2. LAC would be able to work collaboratively with the Global Bureau and field personnel to ensure that technical needs unique to the LAC Region are met. We would have access to a wider variety of U.S. specialists and institutions for this purpose.
3. LAC would be able to reduce overseas staff, significantly shorten project development and contracting delays, and make work more rewarding for technical personnel in the field and Washington.
4. LAC would be able to promote more collaboration between local and U.S. NGOs, and -- most importantly -- among

LAC countries themselves.

5. LAC would be able to play a much more substantial role in the Administration's new initiative for Latin America. USAID would be able to help make the efforts of other USG agencies throughout the Region more effective by applying resources and knowledge that only USAID possesses.

The State Department is stressing U.S. interests in promoting good governance and respect for human rights, more open markets and increased U.S. exports, and greater regional cooperation. Without the resources and expertise only USAID can provide -- albeit differently than in the past -- the Administration's new initiative in support of these U.S. interests will be far less effective than it deserves to be.

## ARGENTINA ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
<b>A. STRATEGIC OBJECTIVE I</b>								
<b>1.- Administration of Justice</b>								
- Regional Administration of Justice 598-0642.21 (ESF)	Fundacion La Ley	GRANT	89 93 06/95	2,306	1,521	785	965	556
<b>2.- Anti-Corruption</b>								
<b>2.a</b>								
- Public Administration Accountability Project 598-0616.21 (ITT)	UNDP	GRANT	91 93 08/94	500	500	-0-	254	246
<b>2.b</b>								
- Private Initiative For Corruption Control 598-0616.21 (ITT)	Poder Ciudadano	GRANT	91 93 06/95	600	400	200	287	113
<b>3.- Civic Participation</b>								
- Civic Participation 598-0616.21 (ITT)	Conciencia	GRANT	92 93 06/95	565	400	165	150	250
<b>B. STRATEGIC OBJECTIVE II</b>								
<b>1.- Comision Nacional de Valores/S.E.C.</b>								
598-0616.21 (ITT)	CNV	GRANT	92 93 09/94	75	75	-0-	57	18
<b>2.- Renewal Energy Development R&amp;D/EI</b>								
			93	100				
<b>3.- Business Develop't Services Program</b>								
3.a- PSC, Off.Rent & Procur't			92 93	478	313	165	303	10
<b>3.b- IESC</b>								
598-0616.21 (ITT)	-	GRANT	93 94 12/95	334	215	120	-0-	215



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			FY Final Obligation Estimated Completion Date					

## C. OTHER

### 1.- Peace Corps

93	30	15	15
94			

### 2.- PD & S

93	78	3	75
94			

1/5/96

URUGUAY ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Obblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
A. STRATEGIC OBJECTIVE I - PRIVATE SECTOR PARTICIPATION								
1. - Competitiveness								
- Asociacion Cristiana de Dirigentes de Empresas 598-0616.18 (ITT)		GRANT	92 92 12/93	110	110	-0-	66	44
- Cooperativas Agrarias Federadas 598-0616.18 (ITT)	CAF	GRANT	93 93 12/94	160	160	-0-	17	143
- National Committee for Quality 598-0616.18 (ITT)	UNDP	GRANT	92 93 12/94	253	253	-0-	185	68
- Federacion Uruguaya de Centros Regionales de Experimentacion Agricola 598-0616.18 (ITT)	FUCREA	GRANT	93 93 06/95	135	75	60	21	54
- International Executive Service Corps 598-0616.18 (ITT)	IESC	GRANT	92 92 12/94	120	120	-0-	15	105
- International Executive Service Corps-BDS 598-0616.18 (ITT)	IESC	GRANT	93 93 07/94	139	139	-0-	0	139
- LATU/MIST Exchange Program 598-0616.18 (ITT)	LATU	PROJ. AGR.	92 92 12/94	52	52	-0-	21	31
- Union Creadores de Empresa del Uruguay 598-0616.18 (ITT)	UCRE	GRANT	93 93 06/95	115	85	30	21	64
- Advanced Education for Development 598-0616.18 (ITT)	UCUDAL	GRANT	89 91 12/94	705	705	-0-	545	160

# URUGUAY ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Obliq. Instr.	FY Initial FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
- UNDP/Empretec	UNDP	GRANT	93 94 03/94	20	20	-0-	-0-	20
- RTAC II Program 598-0616.18 (ITT)	AID	CONT.	92 92 06/95	117	57	60	38	19
- Junior Achievement 598-0616.18 (ITT)	DESEN DEL URUGUAY	GRANT	90 92 06/95	450	390	60	319	71
2. - L.R.J.								
- Camara de Comercio Uruguay-Estados Unidos 598-0616.18 (ITT)	Camara	GRANT	92 92 09/94	125	125	-0-	41	84
- Centro de Estudios de la Realidad Economica y Social 598-0616.18 (ITT)	CERES	GRANT	92 93 09/94	230	230	-0-	91	139
- Asociacion ORT del Uruguay 598-0616.18 (ITT)	ORT	GRANT	93 93 06/95	60	30	30	-0-	30
- Camara Nacional de Comercio 598-0616.18 (ITT)	CNC	GRANT	94 12/95	50	-0-	50	-0-	0
B. STRATEGIC OBJECTIVE II. - A0J								
1.- UNDP/SCN/CEJU 598-0642.18 (RA0J) 598-0616.18 (ITT)		GRANT	90 94 06/95	1453	987	466	600	387
2.- Partners of America 598-0616.18 (ITT)	PARTNERS	GRANT	93 93 03/95	34	34	-0-	-0-	34

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C. - OTHER								
1.- Peace Corps								
- Special Project Activities			93 94	60	30	30	-0-	30
- Environment NGOs			93 12/94	88	73	15	-0-	73
2. - ESF Local Currency 528-0107	600		86 87 09/96	25522	25522	-0-	20692	4830
3. - PD & S			93 94	272	72	200	-0-	72

1/7/96